

IN THE ENERGY AND WATER DIVISION OF THE STATE OF TN
TENNESSEE REGULATORY AUTHORITY

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IN RE: RIVIERA UTILITIES OF TENNESSEE, INC., A OFFICE OF THE
TENNESSEE CORPORATION, EXECUTIVE SECRETARY
A SUBSIDIARY OF
EASTERN UTILITIES, INC.,

BY

NO.

00-00511

TOTAL ENVIRONMENTAL SOLUTIONS, INC., A
WHOLLY OWNED SUBSIDIARY OF SOUTH LOUISIANA
ELECTRIC COOPERATIVE ASSOCIATION

PETITION OF TOTAL ENVIRONMENTAL SOLUTIONS, INC. AND SOUTH
LOUISIANA ELECTRIC COOPERATIVE ASSOCIATION FOR A TRANSFER OF
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE
UTILITY SERVICES OR FOR A DETERMINATION AS TO ITS
QUALIFICATION TO OPERATE SEWERAGE/WASTEWATER TREATMENT
FACILITIES

Comes now, Total Environmental Solutions, Inc., (hereafter "TESI"), and South Louisiana Electric Cooperative Association (hereafter "SLECA"), and pursuant to T.C.A. §§ 65-4-112-113, petition this Authority for a Transfer of Certificate of Public Convenience and Necessity to Provide Utility Services from Riviera Utilities of Tennessee, Inc. (hereafter "Riviera"), or, in the alternative, for a Determination as to its qualifications to operate a sewerage/wastewater treatment facility in Tennessee, and in support thereof would show unto the Authority as follows:

1. TESI is a Louisiana nonprofit utility organized and existing pursuant to the laws of the State of Louisiana, domiciled in Terrebonne Parish, Louisiana, and is a wholly owned subsidiary of South Louisiana Electric Cooperative Association.
2. SLECA is a Louisiana nonprofit electric cooperative organized and existing under the laws of the State of Louisiana and also domiciled in Terrebonne Parish, Louisiana. SLECA is owned by its customers and it is a member owned cooperative.

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3. Riviera is a Tennessee corporation organized and existing under the laws of the State of Tennessee, and is a subsidiary of Eastern Utilities, Inc. (hereafter "Eastern"), a Louisiana corporation.
3. Riviera owns and/or operates a sewerage/wastewater treatment facility or facilities in Middleton, Tennessee.
4. Recently, Johnson Properties, Inc. ("Johnson"), a sister company of Eastern, filed a Chapter 11 Bankruptcy Petition in the United States Bankruptcy Court for the Middle District of Louisiana. While Eastern is technically not in bankruptcy at this time, since Eastern and Johnson were managed by former management as one single entity with corporate forms being totally ignored, the United States Trustee ("UST"), appointed by the bankruptcy court to manage Johnson, is seeking to substantively consolidate or otherwise merge all of the assets and operations of Johnson and Eastern. Such will bring Eastern within the jurisdiction of the bankruptcy court and give the bankruptcy court authority over the assets of Eastern and its subsidiaries.
5. TESI and SLECA have secured financing for the acquisition of Johnson Properties and all related entities, including Riviera, through a loan from the National Cooperative Services Corporation, a subsidiary of the National Rural Utilities Cooperative Finance Corporation.
6. Pursuant to the proposed Chapter 11 reorganization plan, in order to bid on the assets of Johnson, including Riviera, TESI must be a "qualified bidder" under the terms of the reorganization plan.
7. A "qualified bidder" is defined by the plan as any entity which has "commenced proceedings before the applicable Public Service Commission for determination as to qualification of the bidder as an operator of sewerage/wastewater treatment facilities and/or water distribution facilities."

8. As required by T.C.A. § 65-4-113 (b), TESI will provide to the Authority proof of:
- A. TESI's suitability to run a sewerage/wastewater treatment facility and/or water distribution facility;
 - B. TESI's financial responsibility;
 - C. TESI's ability to perform efficiently the utility services which Riviera now performs; and
 - D. The benefit to the public to be gained from a transfer from Riviera Utilities to TESI.

9. Pursuant to T.C.A. § 65-4-113 (b) & (c), TESI Petitions this Authority for a Transfer of Riviera's Certificate of Public Convenience and Necessity to Provide Utility Services, or, in the alternative, a Certificate of Public Convenience and Necessity to Provide Utility Services be issued to TESI in its own right or, in the alternative, for permission to commence proceedings for a determination by this Authority of TESI's fitness to operate a sewerage/wastewater treatment facilities and/or water distribution facilities in the State of Tennessee.

DATED this the 14th day of June, 2000.

Respectfully submitted,



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